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Indication or advice, Leonard J. Saccio, Deputy Director of the ICA, has admitted to Congress that under this definition almost any paper or document could be withheld from the GAO or Congress.

The SPEAKER. The time of the gentleman has expired. *H.R. 7758*

OVERSEAS DIFFERENTIALS AND ALLOWANCES ACT

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7758) to improve the administration of overseas activities of the Government of the United States, and for other purposes, with amendments, which I send to the Clerk's desk.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled; That this Act may be cited as the "Overseas Differentials and Allowances Act".

TITLE I—PURPOSE AND DEFINITIONS

Part A—Purpose

Sec. 101. The Congress hereby declares that it is the purpose of this Act to improve and strengthen the administration of overseas activities of the Government by—

(1) providing a means for more effectively compensating Government employees for the extra costs and hardships incident to their assignments overseas;

(2) providing for the uniform treatment of Government employees stationed overseas to the extent justified by relative conditions of employment;

(3) establishing the basis for the more efficient and equitable administration of the laws compensating Government employees for the extra costs and hardships incident to their assignments overseas, and

(4) facilitating for the Government the recruitment and retention of the best qualified personnel for civilian service overseas.

Part B—Definitions

Sec. 111. As used in this title, title II, and section 522 of title V, the term—

(1) "Government" means the Government of the United States of America;

(2) "Government agency" means (A) each executive department of the Government, (B) each independent establishment or agency in the executive branch of the Government, including each corporation wholly owned (either directly or through one or more corporations) by the Government, (C) the General Accounting Office, and (D) the Library of Congress;

(3) "Employee" means an individual employed in the civilian service of a Government agency and more specifically defined in regulations prescribed by the President, but including ambassadors, ministers, and officers of the Foreign Service of the United States under the Department of State;

(4) "United States", when used in a geographical sense, means the several States of the United States of America and the District of Columbia;

(5) "Continental United States" means the several States of the United States of America, excluding Alaska and Hawaii but including the District of Columbia; and

(6) "Foreign area" means any area (including the Trust Territory of the Pacific Islands) situated outside the United States, the Commonwealth of Puerto Rico, the Canal Zone, and the possessions of the United States.

TITLE II—ALLOWANCES AND DIFFERENTIALS IN FOREIGN AREAS

Part A—General provisions

Sec. 201. Notwithstanding section 1765 of the Revised Statutes (5 U.S.C. 70), the allowances and differentials provided by this

title are authorized for and may be granted only to an employee officially stationed in a foreign area unless otherwise provided in this title.

(1) who is a citizen of the United States, and

(2) whose rate of basic compensation is fixed by statute or, without taking into consideration the allowances and differentials provided by this title, is fixed by administrative action pursuant to law or is fixed administratively in conformity with rates paid by the Government for work of a comparable level of difficulty and responsibility in the continental United States,

except that such allowances and differentials may be paid to an employee officially stationed in a foreign area who is not a citizen of the United States to the extent that the payment of such allowances and differentials to such non-citizen employee is authorized by any provision of law other than this title.

Sec. 202. Allowances granted under this title may be paid in advance, or advance of funds may be made therefor, through the proper disbursing officer in such sums as may be deemed advisable in consideration of the need and the period of time during which expenditures must be made in advance by the employee or employees. Any advance of funds not subsequently covered by allowances accrued to the employee or employees under this title shall be recoverable by the Government by setoff against accrued salary pay, compensation, amount of retirement credit, or other amount due from the Government to such employee or employees and by such other method as may be provided by law for the recovery of amounts owing to the Government.

Sec. 203. The allowances and differentials authorized by this title shall be paid in accordance with regulations prescribed by the President establishing rules governing payments thereof and the respective rates at which such payments shall be made, the foreign areas, the groups of positions, and the categories of employees to which such rates shall apply, and other related matters.

Part B—Quarters allowances

Sec. 211. Whenever Government-owned or Government-rented quarters are not provided without charge for an employee in a foreign area, one or more of the following quarters allowances may be granted to such employee where applicable:

(1) A temporary lodging allowance for the reasonable cost of temporary quarters incurred by the employee and his family (A) for a period not in excess of three months after first arrival at a new post of assignment in a foreign area or a period ending with the occupation of residence quarters, whichever shall be shorter, and (B) for a period of not more than one month immediately preceding final departure from the post subsequent to the necessary evacuation of residence quarters;

(2) A living quarters allowance for rent, heat, light, fuel, gas, electricity, and water, without regard to the limitations of section 3648 of the Revised Statutes, as amended (31 U.S.C. 520); and

(3) Under unusual circumstances payment or reimbursement for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred in initial repairs, alterations, and improvements to an employee's privately leased residence at a post of assignment in a foreign area, if such expenses are administratively approved in advance and if the duration and terms of the lease justify payment of such expenses by the Government.

Part C—Cost-of-living allowances

Sec. 221. The following cost-of-living allowances may be granted, where applicable, to an employee in a foreign area:

(1) A post allowance to offset the difference

of assignment of the employee in a foreign area and the cost of living in Washington, District of Columbia;

(2) A transfer allowance for extraordinary, necessary, and reasonable expenses not otherwise compensated for, incurred by an employee incident to establishing himself at any post of assignment in a foreign area or at a post of assignment in the United States between assignments to posts in foreign areas;

(3) A separate maintenance allowance to assist an employee who is compelled by reason of dangerous, notably unhealthy or excessively adverse living conditions in his post of assignment in a foreign area to meet the additional expense of maintaining elsewhere than at such post, his wife, or his dependents, or both;

(4) An education allowance or payment of transportation costs to assist an employee with the extraordinary and necessary expenses, not otherwise compensated for, incurred by reason of his service in any foreign area or foreign areas in providing adequate education for his dependents, as follows:

(A) An allowance not to exceed the cost of obtaining such elementary and secondary educational services as are ordinarily provided without charge by the public schools in the United States, plus, in those cases where adequate schools are not available at the employee's post, board and room, and periodic transportation between such post and the nearest locality where adequate schools are available, without regard to the limitations of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); but the amount of the allowance granted shall be determined on the basis of the educational facility used;

(B) The cost of transporting dependents of an employee to and from a school in the United States to obtain an American secondary or undergraduate college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education; but no allowance payments under subparagraph (A) of this paragraph (4) shall be made for any dependent during the twelve months following his arrival in the United States for secondary education pursuant to authority contained in this subparagraph (B). Notwithstanding section 111(6) of this Act, transportation, for the purpose of obtaining undergraduate college education, may be authorized under this subparagraph (B), under such regulations as the President may prescribe, for dependents of employees who are citizens of the United States stationed in the Canal Zone.

Part D—Post differential

Sec. 231. A post differential may be granted on the basis of conditions of environment which differ substantially from conditions of environment in the continental United States and warrant additional compensation as a recruitment and retention incentive. Such differential also may be granted to any employee who is officially stationed in the United States and who is on extended detail in a foreign area. Additional compensation paid as a post differential shall not in any instance exceed 25 per centum of the rate of basic compensation.

TITLE III—MISCELLANEOUS EXPENSES

Part A—Storage

Sec. 301. (a) Paragraphs (4) and (5) of section 911 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (4) and (5)) are amended to read as follows:

"(4) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot reasonably be expected to use such

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furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

"(5) the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service in connection with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and, in connection with separation of an officer or employee of the Service, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law."

(b) Paragraphs (1) (D) and (E) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 209, 72 Stat. 337; 50 U.S.C. 403e(a)(1) (D) and (E)) are amended to read as follows:

"(D) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

"(E) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency in connection with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new officer or employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and in connection with separation of an officer or employee of the Agency, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law."

(c) The first section of the Administrative Expenses Act of 1946 (60 Stat. 806) as amended (5 U.S.C. 73b-1), is amended—

(1) by striking out "(not to exceed seven thousand pounds if uncrated or eight thousand seven hundred and fifty pounds if crated or the equivalent thereof when transportation charges are based on cubic measurement)" in subsection (a) of such section and inserting in lieu thereof "(not to exceed seven thousand pounds net weight)"; and

(2) by adding at the end of such section the following new subsection:

"(e) Whenever any civilian officer or employee (including any new appointee in accordance with section 7 of this Act) is assigned to a permanent duty station outside the continental United States to which he cannot take or at which he is unable to use his household goods and personal effects or whenever the head of the department concerned authorizes storage of any such property in the public interest or for reasons of economy, storage expenses (including related transportation and other expenses) may be allowed such officer or employee in accordance with regulations prescribed by the President; but in no instance shall the weight of the property stored under this subsection, together with the weight of property transported under subsection (a), exceed the maximum weight limitation provided by subsection (a)."

(d) The term "furniture and household and personal effects", as used in the amendments made by this part to the Foreign Service Act of 1946, as amended, and the Central Intelligence Agency Act of 1949, as amended, and the term "household goods and personal effects", as used in the amendments made by this part to the Administrative Expenses Act of 1946, as amended, mean such personal property of an employee and the dependents of such employee as the Secretary of State and the Director of Central Intelligence, as the case may be, with respect to the term "furniture and household and personal effects", and the President, with respect to the term "household goods and personal effects", shall by regulation authorize to be transported or stored under the amendments made by this part to such Acts (including, in emergencies, motor vehicles authorized to be shipped at Government expense). Such motor vehicle shall be excluded from the weight and volume limitations prescribed by the laws set forth in this part.

Part B—Official residence expenses

Sec. 311. (a) The Administrative Expenses Act of 1946 (60 Stat. 806), as amended, is amended by adding at the end thereof the following new section:

"Sec. 22. Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign countries for the purpose of defraying the unusual expenses incident to the operation and maintenance of official residences suitable for the chief representatives of the United States at such posts and such other senior officials of this Government in foreign countries as the President may designate."

(b) Section 8 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287e), is amended by striking out "and the allotment of funds, similar to the allotment authorized by section 902 of the Foreign Service Act of 1946, for unusual expenses incident to the operation and maintenance of such living quarters, to be accounted for in accordance with section 903 of said Act;" and inserting in lieu thereof "and unusual expenses similar to those authorized by section 22 of the Administrative Expenses Act of 1946, as amended by section 311 of the Overseas Differentials and Allowances Act, incident to the operation and maintenance of such living quarters."

Part C—Transportation of motor vehicles

Sec. 321. The first section of the Administrative Expenses Act of 1946 (60 Stat. 806), as amended (5 U.S.C. 73b-1), is amended by adding thereto, immediately following the new subsection (e) added to such first section by section 301(e) of this Act, the following new subsection:

"(f) Under such regulations as the President may prescribe, the privately owned motor vehicle of any employee (including any new appointee, in accordance with section 7 of this Act) assigned to a post of duty outside the continental United States on other than temporary duty orders may be transported to, from, and between the continental United States and such post of duty, or between posts of duty outside the continental United States, whenever it is determined by the head of the department concerned to be in the interest of the Government for such employee to have the use of a motor vehicle at his post of duty. Not more than one motor vehicle of any employee may be transported under authority of this subsection during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any employee may be so transported during such period upon approval, in advance, by the head of the department concerned and upon a determination, in advance, by such department head that such replacement is necessary for reasons beyond the control of the employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this subsection of a privately owned motor vehicle of any employee who has remained in continuous service outside the continental United States during such period, the transportation of a replacement for such motor vehicle for such employee may be authorized, in accordance with this subsection, by the head of the department concerned. The head of each department may, in accordance with this subsection, authorize the transportation of privately owned motor vehicles of employees of such department, assigned to duty outside the continental United States, by commercial means if available at reasonable rates and under reasonable conditions or by Government means on a space-available basis. This subsection shall not apply to the Foreign Service of the United States under the Department of State and to the Central Intelligence Agency but shall not affect the authority contained in section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) or paragraph (4) of section 4 of the Central Intelligence Agency Act of 1949 (63 Stat. 210, 72 Stat. 337; 50 U.S.C. 403e(a)(4))."

Sec. 322. Section 913 of the Foreign Service Act of 1946 (60 Stat. 1027; 22 U.S.C. 1138) is amended to read as follows:

"Transportation of Motor Vehicles

"Sec. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Service, a privately owned motor vehicle in any case in which he shall determine that water, rail, or air transportation of the motor vehicle is necessary or expedient for all or any part of the distance between points of origin and destination. Not more than one motor vehicle of any such officer or employee may be transported under authority of this section during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Secretary and upon a determination, in advance, by the Secretary that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this section of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the continental United States (excluding Alaska and Hawaii) during such period, the transportation of a replacement for such motor vehicle for such

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officer or employee may be authorized by the Secretary in accordance with this section."

Sec. 323 (a) That part of section 4(a) of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 209, 73 Stat. 337; 50 U.S.C. 403e), which precedes paragraph (1) thereof, is amended—

(1) by striking out "(a)"; and

(2) by striking out "permanent-duty stations outside the continental United States, its territories, and possessions," and inserting in lieu thereof "duty stations outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia".

(b) Paragraph (4) of section 4 of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 210, 73 Stat. 337; 50 U.S.C. 403e(a) (4)), is amended to read as follows:

"(4) Notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned motor vehicle in any case in which it shall be determined that water, rail, or air transportation of the motor vehicle is necessary or expedient for all or any part of the distance between points of origin and destination, and pay the costs of such transportation. Not more than one motor vehicle of any officer or employee of the Agency may be transported under authority of this paragraph during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Director and upon a determination, in advance, by the Director that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this paragraph of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Director in accordance with this paragraph."

TITLE IV—AMENDMENTS TO ANNUAL AND SICK LEAVE ACT OF 1951

Sec. 401. Subsections (d), (e), and (f) of section 203 of the Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2062 (d), (e), and (f)), are amended to read as follows:

"(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed forty-five days at the beginning of the first complete biweekly pay period, or corresponding pay period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in any year is authorized for the following categories of employees of the Federal Government stationed outside the United States:

"(1) Persons directly recruited or transferred by the Federal Government (A) from the United States, or (B) from the Commonwealth of Puerto Rico or the possessions of the United States for employment outside the area of recruitment or from which transferred.

"(2) Persons employed locally but (A) (i) who were originally recruited from the United States, or from the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment, (ii) who have been in substantially continuous employment by other Federal agencies, United States firms, interests or organizations, international organizations in which the United States Government participates, or foreign governments, and (iii) whose conditions of employment provide for

their return transportation to the United States or the Commonwealth of Puerto Rico or the possessions of the United States, or (B) (i) who were at the time of employment temporarily absent, for the purpose of travel or formal study, from the United States, or from their respective places of residence in the Commonwealth of Puerto Rico or the possessions of the United States and (ii) who, during such temporary absence, have maintained residence in the United States or in the Commonwealth of Puerto Rico or the possessions of the United States but outside the area of employment.

"(3) Persons who are not normally residents of the area concerned and who are discharged from service in the Armed Forces of the United States to accept employment with an agency of the Federal Government.

"(e) The leave granted pursuant to this title shall be exclusive of the time actually and necessarily occupied in going to and from the post of duty and exclusive of such time as may be necessarily occupied in awaiting transportation, in the case of an officer or employee (1) who is within the purview of subsection (d) of this section, (2) whose post of duty is outside the United States, and (3) who returns on leave to the United States, or to his place of residence, which is outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. The provisions of this subsection shall not apply to more than one period of leave in a prescribed tour of duty at a post outside the United States.

"(f) Upon completion of twenty-four months of continuous service outside the United States, officers and employees may be granted, in accordance with regulations of the President, leave of absence at a rate not to exceed one week for each four months of such service without regard to any other leave provided by this title, for use in the United States, or, if their respective places of residence are outside the area of employment, in the Commonwealth of Puerto Rico or the possessions of the United States. Such leave so granted may be accumulated for future use without regard to the limitation in subsection (d) of this section but no such leave shall be made the basis for any terminal leave or for any lump-sum payment."

Sec. 402. (a) Section 202(b)(2) of the Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2061(b)(2)), is amended to read as follows:

"(2) This title, except section 203(g), shall not apply to alien employees who occupy positions outside the United States."

(b) Section 203(g) of such Act, as amended (5 U.S.C. 2062(g)), is amended by striking out "the several States and the District of Columbia" and inserting in lieu thereof "the United States".

(c) Section 202 of such Act, as amended (5 U.S.C. 2061), is amended by adding at the end of such section the following new subsection:

"(d) As used in this title, the term 'United States' means the several States of the United States of America and the District of Columbia."

Sec. 403. The amendments made by this title to the Annual and Sick Leave Act of 1951, as amended, shall take effect on the first day of the first pay period following the date of enactment of this Act.

TITLE V—APPROPRIATION, REPEAL, AMENDATORY, AND MISCELLANEOUS PROVISIONS

Part A—Appropriation provisions

Sec. 501. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act and the amendments made by this Act.

(b) Appropriations or funds otherwise available, for the fiscal year ending June 30, 1960, to any department, agency, establish-

ment or corporation of the Government of the United States of America within the purview of this Act or of any amendment made by this Act are hereby made available for the purposes of this Act and of any such amendment in accordance with the authority contained in this Act or contained in any law amended by this Act and in accordance with such regulations as the President may prescribe.

Part B—Repeal with amendatory provisions

Sec. 511. (a) The following provisions of law are hereby repealed:

(1) Sections 443, 901 (1) and (2), 902, 903, and 911(9) of the Foreign Service Act of 1946, as amended (60 Stat. 1006, 1025, and 1026; 69 Stat. 27; 22 U.S.C. 888, 1131, 1132, 1133, and 1136(9));

(2) Sections 2(b), 13, and 14 of the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (70 Stat. 890, 892; Public Law 885, Eighty-fourth Congress; 5 U.S.C. 170g(b), 170r, and 170s); and

(3) Sections 1(d) and 4(b) of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 208 and 211; 50 U.S.C. 403a(d) and 403e(b)).

(b) Any provision of law which is not repealed by subsection (a) of this section but is inconsistent with any provision of this Act or of any amendment made by this Act shall be held and considered to be amended, modified, or superseded to the extent necessary to carry out the purposes of and conform to such provision of this Act or of such amendment.

(c) Section 1(c) of the Central Intelligence Agency Act of 1949 (63 Stat. 208; 50 U.S.C. 403a(c)) is amended by striking out "Government; and" and inserting in lieu thereof "Government".

(2) Paragraph (1)(A) of section 4 of the Central Intelligence Agency Act of 1949, as amended (63 Stat. 209; 72 Stat. 337; 50 U.S.C. 403e(a)(1)(A)), is amended to read as follows:

"(1)(A) pay the travel expenses of officers and employees of the Agency, including expenses incurred while traveling pursuant to authorized home leave;"

(3) Paragraph (3)(A) of section 4 of such Act (63 Stat. 209 and 210; 72 Stat. 337; 50 U.S.C. 403e(a)(3)(A)) is amended to read as follows:

"(3)(A) Order to any of the several States of the United States of America (including the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States) on leave of absence each officer or employee of the Agency who was a resident of the United States (as described above) at time of employment, upon completion of two years' continuous service abroad, or as soon as possible thereafter."

(4) Paragraph (3)(B) of section 4 of such Act (63 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e(a)(3)(B)) is amended to read as follows:

"(B) While in the United States (as described in paragraph (3)(A) of this section) on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere as the Director may prescribe; and the time of such work or duty shall not be counted as leave."

(5) Paragraph (3)(C) of section 4 of such Act (63 Stat. 210; 72 Stat. 337; 50 U.S.C. 403e(a)(3)(C)) is amended to read as follows:

"(C) Where an officer or employee on leave returns to the United States (as described in paragraph (3)(A) of this section), leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States (as so described) and such time as may be necessarily occupied in awaiting transportation."

(6) The Act entitled "An Act to provide living quarters, including heat, fuel, and light, for civilian officers and employees of the Government stationed in foreign countries", approved June 26, 1930 (46 Stat. 818; Public Law 445, Seventy-first Congress; 5 U.S.C. 118a), is amended—

(A) by striking out "and, where such quarters are not available, may be granted an allowance for living quarters, including heat, fuel, and light, notwithstanding the provisions of section 1765 of the Revised Statutes (U.S.C., title 5, sec. 70)"; and

(B) by striking out that part of the first proviso of such Act of June 26, 1930, which reads "or allowances in lieu thereof".

Part C—Miscellaneous provisions

Sec. 521. Whenever reference is made in any other law or in any regulation to any provision of law which is repealed, modified, amended, or superseded by reason of section 511 of this Act, such reference, unless inconsistent with this Act, shall be held and considered to refer to this Act or the appropriate provision of, or amendment made by, this Act.

Sec. 522. Notwithstanding any provision of this Act and until such time as regulations are issued under this Act, employees shall continue to be paid allowances and differentials in accordance with rules and regulations issued pursuant to the laws in effect immediately prior to the enactment of this Act and such rules and regulations may be amended or revoked in accordance with the provisions of such laws.

Sec. 523. (a) Section 912 of the Internal Revenue Code of 1954 (relating to exemption for certain allowances) is amended to read as follows:

"SEC. 912. EXEMPTIONS FOR CERTAIN ALLOWANCES.

"The following items shall not be included in gross income, and shall be exempt from taxation under this subtitle:

"(1) FOREIGN AREAS ALLOWANCES.—In the case of civilian officers and employees of the Government of the United States, amounts received as allowances or otherwise (but not amounts received as post differentials) under—

"(A) title IX of the Foreign Service Act of 1946, as amended (22 U.S.C., sec. 1131 and following).

"(B) section 4 of the Central Intelligence Agency Act of 1949, as amended (50 U.S.C., sec. 403e).

"(C) title II of the Overseas Differentials and Allowances Act, or

"(D) subsection (e) or (f) of the first section of the Administrative Expenses Act of 1946, as amended, or section 22 of such Act.

"(2) COST-OF-LIVING ALLOWANCES.—In the case of civilian officers or employees of the Government of the United States stationed outside the continental United States (other than Alaska), amounts (other than amounts received under title II of the Overseas Differentials and Allowances Act) received as cost-of-living allowances in accordance with regulations approved by the President."

(b) Paragraphs (1) and (2) of section 912 of the Internal Revenue Code of 1954, as amended by subsection (a) of this section, shall apply only with respect to amounts received on or after the date of the enactment of this Act in taxable years ending on or after such date.

The SPEAKER pro tempore (Mr. KILDAY). Is a second demanded?

Mr. REES of Kansas. Mr. Speaker, I demand a second.

Mr. GROSS. Mr. Speaker, is the gentleman opposed to the bill?

Mr. REES of Kansas. Mr. Speaker, I am not opposed to the bill.

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman from Iowa opposed to the bill?

Mr. GROSS. I am opposed to the bill.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, the purpose of the amendment I sent to the Clerk's desk is to eliminate a provision of the bill providing that, when authorized by the President, representation allowances could be paid by any department or agency overseas out of administrative funds.

Mr. Speaker, as chairman of the Committee on Post Office and Civil Service in the 84th Congress, I authorized the Civil Service Subcommittee to conduct a study, in cooperation with the personnel adviser to the President and other executive departments concerned, and to submit such recommendations as it found appropriate for strengthening civilian personnel administration in the extensive overseas activities of our Government.

The subcommittee visited 8 European countries and held hearings and conferences in areas where a large part of the 30,000 American citizens employed overseas are assigned to duty. Based on these hearings and upon completion of the cooperative study, the Post Office and Civil Service Committee unanimously approved a report on overseas personnel administration which was printed as House Report No. 2109, 84th Congress.

The report contained four major areas of recommendation. The first, relating to extension of the competitive service overseas, was placed in effect during the 84th Congress. The House of Representatives on July 6, 1959, approved S. 96, which became Public Law 86-91, placing in effect the second recommendation which relates to pay and employment conditions of teachers in schools conducted for dependents of overseas personnel. The third such recommendation is embodied in H.R. 7758, before us for consideration today. Several bills to carry out the fourth recommendation presently are pending before our committee.

This legislation has been before the committee for several Congresses, either in the form of legislative proposals or introduced bills. In my judgment, it has received very thorough consideration by the committee and by the executive branch. The Department of Defense in the 85th Congress submitted an official recommendation for substantially identical legislation as a part of the President's legislative program in that Congress. H.R. 7758 has the approval of the Bureau of the Budget and of the departments and agencies concerned.

The general purpose of the legislation is to improve overseas civilian personnel administration by bringing together in one law a number of varying existing statutory provisions authorizing allowances and differentials for overseas em-

ployees of the Government and by extending similar authorizations to those departments and agencies which do not now have such statutory provisions. The objective is to provide substantially equal treatment for all American citizens who work overseas for the Government with respect to allowances and differentials to compensate them for additional expenses, hardships, and inconveniences related to their overseas employment which do not generally affect Government employees within the United States.

In connection with section 523 of the bill, which amends parts of the Internal Revenue Code of 1954 granting exemptions for certain allowances for Federal employees, the amendatory language makes no change in tax policy but is merely for the purpose of conforming language suitable to the allowance provisions of H.R. 7758. In accordance with the policy of our committee in considering any legislative provision within the jurisdiction of another committee, the chairman of the Ways and Means Committee was consulted on the proposed amendment to the Internal Revenue Code, who has given his approval.

Mr. GROSS. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. WALLHAUSER].

Mr. WALLHAUSER. Mr. Speaker, I rise in wholehearted support of this legislation which will serve to improve and strengthen the administration of overseas activities of the Government of the United States.

This legislation provides for uniformity of treatment for all overseas employees to the extent justified by relative conditions of employment. It recognizes that very fundamental principle that the Government should provide uniform treatment for all of its civilian employees who are assigned to overseas posts of duty with respect to additional expenses necessarily incurred by such employees in relation to their overseas service.

The importance of sound and effective personnel policies in the conduct of overseas programs of the Government is well recognized. Employees assigned to overseas civilian posts are responsible for carrying out very important duties with respect to military and economic commitments in foreign countries.

I wholeheartedly support this legislation because it will strengthen the administration of our Nation's overseas activities by—

First. Providing a means for more effectively compensating civilian officers and employees of the Government for extra costs and hardships incident to their overseas assignments.

Second. Providing for uniform treatment of civilian officers and employees of the Government stationed overseas to the extent justified by relative conditions of employment. Application of this principle of uniform treatment will eliminate certain inequitable and unjustifiable disparities and differences which now exist with respect to the treatment of Government civilian officers and employees stationed overseas.

Third. Establishing the basis for the more efficient and equitable administration of the laws compensating Govern-

ment civilian officers and employees for extra costs and hardships incident to their assignments overseas.

Fourth. Facilitating for the Government the recruitment and retention of the best qualified personnel for civilian service overseas.

The additional cost of the legislation to the Department of Defense, which has on its rolls 21,000 employees working for the Government in foreign areas, is estimated to be less than \$3 million per year. The additional cost attributable to the remainder of the 33,000 employees serving overseas is negligible. I, for one, feel that this is one of the best investments that can be made. I urge adoption of H.R. 7758, as amended.

(Mr. WALLHAUSER asked and was given permission to revise and extend his remarks.)

Mr. MURRAY. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. PORTER].

(Mr. PORTER asked and was given permission to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, I was a member of the subcommittee which approved this legislation. The key word here is "equality." As has been pointed out, all that this legislation would do is to bring some 21,000 civilian employees of the Defense Department up to the standards of the Foreign Service. That is all this legislation does. It is going to cost some money, yes, but that is in the interest of saving more money because we need the very best people overseas.

I want to call the attention of the committee to the hearings on page 25 where I asked Mr. Jackson, Assistant Secretary of Defense, who testified before our committee, as to the need for this legislation. Why do we have to be fair and equitable to the employees of the Defense Department? I think it is obvious, but I wanted to hear what effect the inequality had on the service being given and on recruitment problems. He referred the matter to Mr. Sompayrac, one of the experts who was with him. He, of course, did agree that it would have a substantial effect, and he pointed out—

Probably the greatest effect of the lack of such comprehensive legislation has been, as Mr. Jackson says, in our inability in some cases to persuade people to go overseas. "The other major effect has been some dissatisfaction on the part of employees who are overseas," according to Mr. Jackson, "because they do not receive certain of the benefits which employees of other agencies may receive. This is a general equalization of benefits available to persons of all Federal agencies overseas, that is what it amounts to."

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Maryland, an able member of the Civil Service Subcommittee.

Mr. FOLEY. I rise in support of the bill and I wish to associate myself with the remarks of the gentleman from Oregon and the remarks of the gentleman from New Jersey. I commend them both for the position they have taken.

Mr. PORTER. I thank the gentleman from Maryland. In sum, I do not think

we need delay on it. This legislation is simply to equalize these benefits, these emoluments, if you like, for oversea employees, which they deserve because of additional cost and hardship of such service. This legislation was unanimously approved by a committee which the gentleman from Louisiana [Mr. MORRISON] headed in the 84th Congress, which went to Europe to look into these matters firsthand. It was approved by our committee, 15 to 3. It was recommended by the Defense Department. It is simply in the interest of equality, and I believe that it should be approved overwhelmingly here.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore [Mr. KILDAY]. The gentleman will state it.

Mr. GROSS. Would it be possible to have the amendments offered by the gentleman from Tennessee read, without it coming out of his time?

The SPEAKER pro tempore. By unanimous consent that could be done.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the amendments be read at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The clerk read as follows:

Page 8, strike out line 22 and all that follows down through "Part B—Storage" in line 7 on page 9 and insert in lieu thereof "Part A—Storage."

Page 9, line 8, strike out "Sec. 311," and insert in lieu thereof "Sec. 301."

Page 14, line 1, strike out "Part C—Official Residence Expenses" and insert in lieu thereof "Part B—Official Residence Expenses."

Page 14, line 2, strike out "Sec. 321," and insert in lieu thereof "Sec. 311."

Page 14, line 4, strike out "thereto, immediately following the new section 22 added to such Act by section 301 of this Act," and insert in lieu thereof "at the end thereof."

Page 14, line 7, strike out "23." and insert in lieu thereof "22."

Page 14, line 23, strike out "Section 23" and insert in lieu thereof "section 22."

Page 14, line 24, strike out "section 321" and insert in lieu thereof "section 311."

Page 15, line 3, strike out "Part D—Transportation of Motor Vehicles" and insert in lieu thereof "Part C—Transportation of Motor Vehicles."

Page 15, line 4, strike out "Sec. 331," and insert in lieu thereof "Sec. 321."

Page 15, line 8, strike out "311(c)" and insert in lieu thereof "301(c)."

Page 17, line 1, strike out "Sec. 332," and insert in lieu thereof "Sec. 322."

Page 18, line 4, strike out "Sec. 333," and insert in lieu thereof "Sec. 323."

Page 24, line 6, strike out "901," and insert in lieu thereof "901(1) and (2)."

Page 28, line 15, strike out "or 23."

Mr. GROSS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. JOHANSEN].

(Mr. JOHANSEN asked and was given permission to revise and extend his remarks.)

Mr. JOHANSEN. Mr. Speaker, I rise in opposition to this bill. I am not going to take a great deal of the time of the House but I would like to point out two or three facts with respect to this legislation. The first of those facts is that

this involves an extension of allowances and benefits to some 21,000 civilian employees of the Department of Defense and a total of about 23,000 foreign employees of the United States Government not currently covered under the Foreign Service provisions. In extending the existing benefits to this additional category of employees there has been to my knowledge, and so far as I have been able to learn, no review whatsoever of the existing provisions with respect to special allowances that already exist. We know that there are instances and examples in which, due to these additional benefits including extra compensation for hazardous or hardship conditions, quarters allowances, extra compensation for the mere fact of having oversea duties—we know that there have been instances in which the increases over the normal compensation of the employee run as high as 35 to 50 percent. It is my understanding that the original additional allowances had their legislative origin in the Committee on Foreign Affairs of the House. Apparently there is some question as to jurisdictional authority with respect to any basic review of the overall program.

What we are doing here today is substantially extending this coverage to another large category of employees and doing it without any review of the basic premises to determine the soundness of the existing program.

That is my first objection to this legislation. In the second place, I object to this legislation because it is one more step in the institutionalizing of the program of foreign aid on a basis which will assure its continuance in perpetuity. Just this last week we had a witness before us from the Foreign Training School conducted under the auspices of the Federal Government by Johns Hopkins University. I asked the director of that school who was a witness before the committee and who was testifying about the elaborate and costly training programs being developed in the field of foreign aid, this question: "Is it not true, in your judgment, that the development of programs of this character tend further to institutionalize foreign aid and thereby assure its permanence?" He was a very frank, honest, and candid witness and he replied that that was unquestionably the case.

What we are doing here today relates primarily to the civilian employees of the Department of Defense connected with military assistance programs. I submit that by applying these same standards to this new category of employees in a once supposedly temporary program we are further institutionalizing and guaranteeing the permanence of that program and category of employees.

Of course, we have here the same argument today which we have heard before and hear frequently whenever legislation of this type is offered, and that is that after all the sole purpose is to establish equality. But of course it is an old game and it is endlessly repeated. First we start some new type of benefit in a single instance, then we justify it because of the unusual and exceptional

circumstances involved in that instance. Then, as time passes, we have further exceptions and then of course it becomes inevitable we must proceed to provide complete equality in the setup.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. GROSS. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. JOHANSEN. Mr. Speaker, I would like to direct the attention of the House to some of the new provisions, the new allowances and the new benefits that are provided as a result of this legislation:

Temporary lodging allowances may be granted for not to exceed 3 months after first arrival at a new post and for a period of not more than 1 month immediately preceding final departure.

Providing for leased residence quarters when authorized and when administratively determined to be necessary.

Transportation of dependents for secondary schooling that is the dependents of the civilians attached to the Defense Department and serving overseas.

Transportation of dependents for secondary schooling for undergraduate college work in the United States is authorized.

That is to be completely new for all classified employees.

Cost of storage and transportation to and from storage of household effects of employees.

Transportation of employee's motor vehicle to a foreign post is authorized.

The accumulation of not to exceed 45 days of annual leave is authorized for employees included or transferred from Alaska, Hawaii, and Puerto Rico.

Finally, home leave may be granted after at least 24 months of continuous service overseas.

Mr. Speaker, I say what is needed before we extend these additional benefits and existing benefits to new categories of all employees is to have a thorough and comprehensive review of the present overall program.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. JOHANSEN. I yield.

Mr. HOFFMAN of Michigan. It has recently come to my attention in connection with our foreign policy that all the United States is required to do now is to appropriate the money and individuals from other nations who participate in the program determine how and when and where it is to be used.

The SPEAKER pro tempore. The time of the gentleman from Michigan has again expired.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Speaker, the parliamentary inquiry is, Is it permissible now under the situation which has developed to move to strike out the last word?

The SPEAKER pro tempore. No, it is not. The time is under the control of the gentleman from Tennessee and the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. JOHANSEN. I yield further to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. If the gentleman has the answer to my question, if he has it in mind.

Mr. JOHANSEN. I do not have the answer to the gentleman's question but I am certain if the matter the gentleman describes involves further laxity in the control of the funds by Congress, I have no doubt the answer to the gentleman's question is in the affirmative.

Mr. HOFFMAN of Michigan. Then all we have to do is to furnish the money.

Mr. JOHANSEN. Of course we are still privileged to exercise that authority.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. MURRAY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [MR. BARRY].

Mr. BARRY. Mr. Speaker, I rise in support of this bill. Though I am in sympathy with the views of my distinguished colleague from the State of Michigan. I oppose his position on this bill. I think the best method by which he might accomplish his objective of having an overall review of these matters would be for him to join in this legislation. If overseas personnel regulations are unified there will be similar treatment given to a member of the Department of Defense, to the Department of State, and other departments of Government. If he will do this I am confident that this Congress will take the time to make certain that there will be an overall review of the matters that he is concerned about. I think we all should be concerned about them. So I would say to the distinguished gentleman, the way to bring this matter to a head to his satisfaction and to the satisfaction of our distinguished colleague, the gentleman from Iowa, would be to end this patchwork that has gone on since World War II in various departments of Government who have so many overseas personnel, and to allow this bill to go through the Congress and then review the matter as a body in the appropriate committee in the future.

There are some things that may not have been mentioned here, such as inequities that exist. For instance, I would call your attention to allowances for personal effects taken abroad. There is allowable 7,000 pounds of uncrated personal effects that an employee of the Government may take abroad or an allowable 7,000 pounds of uncrated personal effects taken abroad. There is also an allowance for crating, inasmuch as crated personal effects are almost double the uncrated weight. So I say in justification to our personnel overseas we should do everything we can to straighten out certain inequities of which I have touched upon only one due to time limitation on this debate.

Mr. GROSS. Mr. Speaker, I yield myself 5 minutes.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. No, not at this time. I cannot yield to the gentleman.

I wonder where these 14 amendments came from? Were these 14 amendments

considered in the committee, may I ask the Chairman?

Mr. MURRAY. I will say to the gentleman that only the first amendment is of any importance in this bill; the rest of the amendments are just a renumbering of sections.

Mr. GROSS. Let me ask the gentleman this question: What is proposed in section 22 with regard to entertainment?

Mr. MURRAY. There is no such section in the bill. As the gentleman knows the bill, read as amended as required under suspension of the rules, contained my amendment striking it out.

Mr. GROSS. Is not section 22 still in this bill? No amendment is adopted until the bill is approved.

Mr. MURRAY. The first amendment by me strikes out from line 22 on page 8 all that follows down to the end of the paragraph. It strikes out all of "entertainment."

Mr. GROSS. It strikes out the use of administrative funds to buy liquor and provide entertainment; is that correct?

Mr. MURRAY. That is correct. There was no purpose in this bill to buy liquor.

Mr. GROSS. Of course that was the purpose. I call attention to the fact that this is just a sample of how this bill has been handled. It is brought here with 14 amendments. It was not properly taken care of in the full committee, and now, under suspension of the rules, only the chairman can offer amendments.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I do not yield at this time. It does not make any difference how many abuses there are in the present allowances and pay differentials by the State Department and the Foreign Service; no matter how many abuses are being perpetrated, this bill will permit another 20,000 to 30,000 Federal employees to get their fingers in the grab bag. Before this legislation is enacted, Congress ought to set different standards for the State Department and the Foreign Service in the matter of transporting automobiles, furniture and so on and so forth all over the world. Is this legislation immediately necessary?

Let me call your attention to some of the testimony in connection with hearings on this matter. I asked Assistant Secretary Jackson of the Defense Department:

Mr. GROSS. You say you have an 18-percent turnover. What do you estimate your turnover will be if this legislation is adopted and you are caught up with the Joneses in the State Department?

Mr. JACKSON. I would like to make it clear that we are not prognosticating any dramatic change in retention by this bill.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. No; I do not yield at this time.

Mr. PORTER asked Mr. Sompayrac, of the Defense Department, if they were having any trouble with recruitment on the basis that their allowances for these various differentials had not been given them, and the answer was that they were

having no recruitment troubles whatever.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. No.

Mr. PORTER. The gentleman mentioned my name.

Mr. GROSS. Certainly I mentioned the gentleman's name in reading the hearings.

Mr. PORTER. Then the gentleman should yield to me.

Mr. GROSS. I yield to the gentleman very briefly.

Mr. PORTER. I asked him if the Department fully endorsed the bill.

Mr. GROSS. He said he had no concrete evidence of dissatisfaction on the part of Defense Department employees.

Mr. PORTER. He said a number of things in his testimony.

Mr. GROSS. He said there had been no dissatisfaction.

Mr. PORTER. Both said that this legislation was necessary, that it would help.

Mr. GROSS. I do not yield further.

Mr. PORTER. That they had to have it to keep these people going overseas. I refer to page 25.

Mr. GROSS. In direct response to your statement—

Mr. BARRY. If the gentleman would yield I would like to read Mr. Jackson's statement as presented to the committee.

Mr. GROSS. Let me read it.

Mr. PORTER on page 26 asked this question:

I suppose you do have figures on recruitment in terms of how many people apply for the available jobs. Do they show a progressive decline because of the dissatisfaction arising from these inequitable conditions?

And Mr. Sompayrac said:

No, sir, they don't.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Speaker, I yield myself 2 additional minutes.

Mr. PORTER. Mr. Speaker, will the gentleman yield for a brief correction?

Mr. GROSS. No; I cannot yield further.

The question of automobile transportation to oversea posts came before the Appropriations Subcommittee for the Department of State.

On page 558 of the hearings the following appears:

Mr. ROONEY. This comes to quite a substantial amount, does it not?

That is, the shipment of cars overseas.

It comes to about \$350,000 or \$400,000 for shipping the 791 cars?

Is the fact shown in this sheet that 103 cars come back to the United States, whereas, the balance of these 791 go overseas any indication of a pattern? Is about the same thing true each year?

Mr. BROWN. I think it would, Mr. Chairman.

In other words, the bulk of the cars that are shipped overseas at taxpayer expense are sold there at a profit. Yet those who support this bill want to put thousands of additional employees on a par with the abuses that are now being carried on in the State Department.

Let me read to you some of the costs of transferring people, as appears on page 575 of the same committee hearings. Here is a \$6,900 a year FSO-6, total cost of his transfer from Buenos Aires to Havana, \$8,563.95, including household goods and so forth. Here is an FSS-10, paid \$5,425 a year, total cost of transfer \$14,615.05 from Malaya to Norway. There are many other similar examples.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Speaker, I yield myself 1 additional minute.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. HAYS. The gentleman has put a finger on a real abuse. I think the cure for that is for the Congress to set down a policy that these people shall not be transferred all over the world every few years. About the time he learns his job somewhere, they move him out somewhere else where he has to start all over again, and at a terrific expense to the taxpayers.

Mr. GROSS. Certainly. This bill is a cart before the horse. This bill as I have said, should be given consideration following elimination of the abuses. Read pages 574 and 575 and other pages of the Appropriations Subcommittee hearings which will show you what is happening. Yet you want here today to put 20,000 or 30,000 more people on the same basis.

I urge the defeat of this bill.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I too rise in support of this bill which has been submitted to the House by the Committee on Post Office and Civil Service. It is the result of a fine study made by the Morrison committee over a period of time.

Mr. Speaker, American civilians who are working for our Government overseas, put up with many difficulties that they would never have to face at home.

We sometimes forget that Government must compete with private enterprise in the recruitment and retention of qualified personnel.

It is a well-known fact that U.S. corporations with branches or field operations in foreign countries, provide attractive inducements for those who are willing to work away from home. These companies go out of their way to secure adequate housing, provide social and recreational facilities, and make available the various items that are a familiar part of the American standard of living.

American civilians working for the U.S. Government abroad have to contend with hardships and inconveniences that are nonexistent in the United States. To compensate them for these sacrifices, and to insure equal treatment for all, I join with many of my colleagues in support of H.R. 7758, the Overseas Differentials and Allowances Act.

The purpose of this bill is "to improve and strengthen the administration of oversea activities of the Government of

the United States. The purpose is to be accomplished by the establishment of a coordinated and reasonably uniform system for more effectively compensating Government employees for additional costs, and for hardships and inconveniences incident to their working assignments in oversea areas."

Although there are other important provisions, the heart of the bill is found under title 11.

Section 211 of the bill adds, for all departments and agencies, new authority, first, for payment of a temporary lodging allowance for a period not exceeding 1 month immediately before final departure of an employee from an oversea post, and, second, for reimbursement of reasonable expenses incurred for initial repairs, alterations, and improvements in order to make substandard living quarters habitable. This section extends, to departments and agencies—other than those operating under the Foreign Service Act of 1946 or statutes related thereto, which already have such authority—authority, first, to pay a temporary lodging allowance for a period not exceeding 3 months upon first arrival of an employee at a foreign post; second, to include water as a utility covered by quarters allowances; and, third, to make advance payment of quarters allowances.

Section 221 amends, for all departments and agencies, existing authority to grant a separate maintenance allowance for dependents of an employee in a foreign area so as to permit payment of such allowance where an employee must maintain a separate establishment for his dependents away from his post of duty but not necessarily outside of the country of assignment. This section continues and consolidates for all departments and agencies, authority to pay, first, a post allowance to compensate for the difference in local living costs which are higher than those in Washington, D.C.; second, a transfer allowance upon assignment of an employee to duty at any post in a foreign area or at a post in the United States between foreign assignments; and, third, an allowance for education of an employee's dependents. This section continues, for departments and agencies operating under the Foreign Service Act of 1946 or related laws, and adds, for all other departments and agencies, authority to provide transportation of an employee's dependents for educational purposes.

Section 231 continues and consolidates, for all departments and agencies, existing authority to pay a hardship post differential, not exceeding 25 percent of basic compensation, for conditions of environment at foreign posts which warrant additional compensation as a recruitment and retention incentive.

The working and living conditions of U.S. citizens employed overseas, has a direct bearing upon the success of our oversea programs—both military and economic.

In order to carry out their responsibilities, which could determine whether we have peace or war, it is necessary to provide them with the means and the

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facilities that will promote the highest morale and efficiency.

The Department of Defense alone employs two-thirds of all U.S. citizens working for the Government in foreign areas.

This bill will encourage the ablest American men and women to serve the United States and the cause of peace with freedom and justice at our outposts around the globe.

(Mr. LANE asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, I yield 1 minute to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Speaker, the intent and purpose of this legislation is to bring about a more equitable situation with respect to allowance as well as pay for those employed in the overseas service. That is all there is to it. There is nothing world-shaking about this legislation. But this is a step intended in the right direction.

The gentleman from Iowa has pointed out a rather important thing, and that is we should examine the whole picture clear across the board. We need a better balanced situation with respect to employment with the Government.

I think this bill ought to be supported. Our committee, or some committee, ought to make a complete investigation or study into this whole problem and make recommendations to Congress with respect to overseas pay as well as to allowances of various kinds. If allowance rights are being abused they should be stopped. If these rights are too liberal, let us correct them.

Mr. GROSS. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I would like to read a provision in this bill, section 22, at the top of page 9:

Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign countries and to resident missions to international organizations for representation purposes in the promotion of official policies and programs.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Tennessee.

Mr. MURRAY. That is the very section that in my motion was stricken from the bill.

Mr. GROSS. At this late date, you offer an amendment to take it out of the bill. You concocted an amendment as late as last Saturday to take it out. That demonstrates the consideration proponents have given this bill. This section provided that money appropriated for administrative purposes could be used for liquor and entertainment in foreign countries. That is the kind of a bill we have here. I called attention to this provision and when the bill was being considered in the full committee, but no one attempted to take it out then.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Kansas.

Mr. REES of Kansas. The gentleman and I are both opposed to this representation money.

Mr. GROSS. Why did you wait until last Saturday, without consultation with anyone else, to frame an amendment to take it out? It was called to the attention of the committee long ago.

Mr. REES of Kansas. The chairman was happy to strike it out.

Mr. MURRAY. Mr. Speaker, I yield the balance of the time to the gentleman from Louisiana [Mr. MORRISON].

(Mr. MORRISON asked and was given permission to revise and extend his remarks.)

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. MORRISON. I yield to the gentleman from Ohio.

Mr. HAYS. I would like to say in answer to some of the arguments that were made against this bill that I kind of go along with this bill. It is not too bad, but it is the policy of these moves that is bad. And, as chairman of the Subcommittee on Personnel in the State Department, we are going into this matter at some length and see what we can do about the policy of moving these people around every 2 years willy-nilly, whether there is any reason for it or not. I think that is where the ill is, and I think that is where the ill needs to be corrected.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. MORRISON. I yield to the gentleman from Virginia.

Mr. HARDY. I would like to ask the gentleman whether the committee in considering this measure took into consideration the possible use of local currencies, counterpart funds, if you will, for meeting these extra costs. I notice that the bill itself, in the statement of purposes, says that this is for the purpose of meeting extra costs and hardships incident to their assignments overseas.

Mr. MORRISON. I agree with the gentleman from Virginia that that would be a very excellent idea, but that is under the jurisdiction of the Committee on Foreign Affairs. If they will introduce such a bill, I believe I would be inclined to support it.

Mr. HARDY. Does not the gentleman agree that it would be a fine thing to utilize some of these funds which we have overseas to take care of these costs so that we would not have to use dollars?

Mr. MORRISON. Yes.

Mr. HARDY. In connection with oversea assignments there are occasions when oversea personnel are permitted certain special exchange concessions in the purchase of foreign currency.

Mr. MORRISON. That was taken into consideration in the study and the hearings that were held on this bill.

Mr. HARDY. But that policy is still permitted, I take it.

Mr. MORRISON. That is correct, in many places. In some places they do not have the advantage of that.

Mr. HARDY. So the allowances in this bill would be in addition to any

special concession which may be available through that sort of a gimmick?

Mr. MORRISON. No. This brings these people up, who are not on any direct legislation, equal to all of our other foreign service employees.

Representatives of both the Departments of Defense and State have indicated that any advantages in the monetary rate of exchange are taken into consideration by the Government in establishing the cost-of-living and other benefits to Federal employees stationed overseas.

Federal employees overseas are paid their salaries in American dollars. However, all exchanges into local currency must be made on the official rate of exchange. Black market exchanges are cause for the Federal Government to bring an employee back to the United States.

In general, however, no department has a hard and fast rule, oversea employees are paid in local currency at the official rate of exchange for quarters allowance, cost-of-living allowance, and education allowances.

Mr. HARDY. Well, now, if the gentleman would permit on that point so that we may be clear, there are countries, for instance, in connection with studies which my subcommittee has recently made, in which special concessions have been given and are being given in the way of special rates on the purchase of foreign currencies.

Mr. MORRISON. All that was taken into consideration in the preparation of this bill and in reporting it out.

Mr. HARDY. Then, in other words, that will not be permitted in the future; at least, they will not be permitted to both have that and the concession in this bill?

Mr. MORRISON. I think they will continue to have whatever concession they have been getting. But that has been taken into consideration in this bill.

Mr. Speaker, I refuse to yield further on that point, because that is extraneous matter and not directed to the subject matter of the bill. I would like to explain this bill.

Mr. HARDY. I disagree with the gentleman on that.

Mr. MORRISON. Well, that is your privilege.

Mr. Speaker, the two opponents of this bill have tried to give the impression that this bill came out of the committee without thorough study. Two subcommittees voted in favor of this bill and the full committee voted it out with only three dissenting votes—practically unanimous.

This legislation was started 4 years ago by an intensive oversea study by a subcommittee that went to practically every city in Europe and very carefully held full hearings. A printed book of hearings about 4 inches thick resulted from these hearings and studies. Then when we returned the committee made its report. In turn, another subcommittee took it under their jurisdiction. Then it was reported out of the full committee with only three dissenting votes.

Now let us get the record straight about this bill. There are no extra-pay provisions. It merely brings the civilian employees overseas up to same basis and with the same benefits as those covered by former laws governing Department of State employees and some Defense civilian employees.

President Eisenhower wants this bill.

The State Department wants this bill.

The Defense Department wants this bill.

The Comptroller General is in favor of this bill.

The Bureau of the Budget has no objection.

The Civil Service Commission wants this bill.

This legislation is based on the principle that the Government should compensate its civilian employees at overseas posts for additional expenses related to their service overseas which are not incurred by Government employees within the United States, as well as for hardships and other conditions of environment at overseas stations which justify additional compensation or allowances.

At the outset, I want to emphasize that the great majority of benefits written into the law by this bill are already available to large groups of overseas Government personnel—in some instances pursuant to statute and in others under informal approval by the General Accounting Office granted as a matter of necessity with the understanding that the legislation now embodied in H.R. 7758 would be requested.

The general purpose of the legislation therefore, is to bring together existing statutory and administrative policies in a single law, with such additional provisions as are necessary, in order to provide a coordinated and reasonably uniform system of allowances and differentials to be granted U.S. citizens employed by the Government overseas on an equal basis so far as is practicable.

To carry out this purpose, H.R. 7758 groups together in one act provisions now found in a number of separate laws and administrative regulations, and fills in gaps where the lack of appropriate statutory or administrative action has created inequities in respect to certain groups of overseas employees.

Enactment of H.R. 7758 will materially improve and strengthen the administration of overseas activities of the Government. Both operations and personnel administration will be facilitated by the establishment, under this bill, of a comprehensive allowance and differential policy which will apply generally to all American citizens who are employed in civilian posts for the Government in overseas areas, regardless of the department or agency for which extent justified by relative conditions of employment.

This legislation is based upon, and will place in effect, an official recommendation of the Department of Defense. It also carries out the unanimous recommendations of the Post Office and Civil Service Subcommittee contained in the subcommittee report printed as House Report No. 2109, 84th Congress. The bill now before us was developed through extensive hearings and conferences held

by the Civil Service Subcommittee in oversea areas during the 84th Congress, supplemented by a continuing cooperative study by the subcommittee, the Department of Defense, the State Department, the personnel adviser to the President, the Civil Service Commission, and the General Accounting Office.

I believe the Members will be interested in a brief comment on House Report No. 2109 which was included in a letter from the White House to our committee chairman, dated August 24, 1958, and I quote:

I would like to say first that this was an excellent report, carefully prepared and reflecting a comprehensive review of the facts, both in the oversea hearings and in the staff research. I believe that the liaison between your office and both my White House office and the Civil Service Commission has been a fine example of co-operative effort between legislative and executive branches of Government, in developing sound legislation in this field of personnel administration.

It is fair to state that no bill ever considered by our committee has had more thorough and painstaking consideration by a subcommittee or has been worked out more carefully, in relation to all departments and agencies, in order to strengthen management and personnel administration of essential Government functions.

I should like to invite the special attention of the Members to the explanation of the bill in the accompanying report, House Report No. 902. In my judgment, this is one of the most complete and exhaustive statements accompanying any bill reported to this House in the present session and fully reflects the careful and extensive consideration this legislation received both in the Civil Service Subcommittee and before the full Post Office and Civil Service Committee.

I would like to emphasize the careful consideration this legislation received by calling your attention to the fact that transportation of motor vehicles under subsection (f) of section 331, will be authorized only upon a determination by the department or agency head concerned that it is in the interest of the Government for the employee to have the use of the motor vehicle at his post of duty.

This legislation is strongly recommended by the administration and is necessary to modernize and strengthen civilian personnel administration in our critical oversea defense activities and other essential Government programs abroad. The reported bill has the overwhelming support of the membership of the Post Office and Civil Service Committee and I believe will receive equal approval by the House today.

I urge the House to vote favorably on this meritorious legislation.

The SPEAKER pro tempore. The time of the gentleman has expired.

All time has expired.

Mr. MORRISON. Mr. Speaker, I ask

unanimous consent to proceed for 1 additional minute.

The SPEAKER pro tempore. Under the rules of the House all time has expired.

The question is, will the House suspend the rules and pass the bill H.R. 7758, as amended?

The question was taken and on a division (demanded by Mr. JOHANSEN) there were—ayes 72, noes 24.

Mr. JOHANSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. SHELLEY). Pursuant to the order of the House of last Friday, further proceedings will go over until tomorrow.

FINAL ORDERS OF SUBVERSIVE ACTIVITIES CONTROL BOARD

Mr. WALTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8429) to amend the Subversive Activities Control Act of 1950 to provide for a procedure under which certain final orders of the Subversive Activities Control Board with respect to Communist organizations may be made applicable to successor organizations, with amendments.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Subversive Activities Control Act of 1950 (64 Stat. 989) is amended by inserting, immediately after section 13A thereof, the following new section:

"PROCEEDINGS WITH RESPECT TO SUCCESSOR ORGANIZATIONS

"Sec. 13B. (a) When there is in effect a final order of the Board determining that any organization is a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization, such final order shall also be applicable with respect to any organization determined by the Board under this section to be the successor of such organization, regardless of the assumed name, from and after the date on which the order of the Board granting the determination that such organization is a successor organization becomes final.

"(b) Whenever the Attorney General has reason to believe that any organization is the successor to any organization determined by a final order of the Board to be a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization, he may file with the Board and serve upon such organization a petition for a determination that such organization is such a successor organization. In any proceeding so instituted, two or more affiliated organizations may be named as joint respondents. Whenever any such petition is accompanied by a certificate of the Attorney General to the effect that the proceeding so instituted is one of exceptional public importance, such proceeding shall be set for hearing at the earliest possible time and all proceedings therein before the Board or any court shall be expedited to the greatest practicable extent.

"(c) Each petition shall be verified under oath, and shall contain a statement of the facts relied upon in support thereof. Upon the filing of any such petition, the Board shall serve upon each party to such proceeding a notice specifying the time and place for hearing upon such petition. No such hearing shall be conducted within 20 days after the service of such notice.

"(d) The provisions of subsections (c) and (d) of section 13 shall apply to hearings conducted under this section, except that upon the failure of any organization named as a